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C O N F I D E N T I A L QUITO 000956

SIPDIS

E.O. 12958: DECL: 10/02/2018
TAGS: [ETRD](#) [PREL](#) [EC](#) [CO](#)
SUBJECT: ECUADOR HOSTING ANDEAN PRESIDENTIAL MEETING; URIBE
TO ATTEND

REF: A. QUITO 787
[1](#)B. QUITO 783 AND PREVIOUS

Classified By: Classified by DCM Andrew Chritton.
Reason: 1.4 b and d
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[1](#)1. (C) Summary. Ecuador will host a meeting of Andean Community presidents on October 14 to try to forge a common Andean position on negotiating a free trade agreement with the European Union (EU). However, if Bolivia blocks consensus (which Ecuador expects), Ecuador will join Colombia and Peru in negotiating bilateral agreements with the EU. Colombian President Uribe will attend the meeting, which may lay the groundwork for restoring diplomatic relations. End summary.

[1](#)2. (C) On September 30, Under Secretary for Commercial Affairs Mentor Villagomez informed EconCouns that Ecuador, as president of the Andean Community (CAN), will host a meeting of CAN presidents on October 14 in Guayaquil. The objective is to find a way forward for the CAN to negotiate a free trade agreement with the European Union. According to Villagomez, Ecuador would like to keep the CAN negotiating as a bloc, but he expects that that will be difficult, given Bolivian intransigence (reftel a). He said that even if Bolivia agrees to go forward at the upcoming meeting, the other parties would be concerned that Bolivia might try to block discussions further down the road.

Bilateral Agreements Most Likely Option

[1](#)3. (C) Villagomez said that the most likely outcome is that the CAN members will go forward with bilateral agreements with the EU. Colombia and Peru are determined to negotiate with the EU. Ecuador has decided that it will also pursue a free trade agreement. (Note: in August, the GOE had been deliberating whether it would join Colombia and Peru (reftel a), and evidently President Correa decided in favor of the free trade bloc in his government.) Villagomez was focused on the commercial pillar of an EU agreement, and did not discuss how the political and cooperation pillars would be incorporated into this approach.

[1](#)4. (C) Villagomez said that if the CAN members pursue bilateral agreements, the arrangement would be similar to that used by the CAN members in negotiating free trade agreements with the United States. Each country would negotiate a separate agreement, but the negotiations would take place simultaneously so the CAN members could coordinate positions to the extent possible. However, with separate agreements the members would not need consensus on sensitive issues. Villagomez said that with this approach, Bolivia could join in the negotiations if it wanted, but could not block the others.

¶5. (C) Villagomez allowed that the Andean countries will need agreement from the EU for such an approach. He said that the European Commission has notionally agreed, but needs to determine how it can do so within its existing mandate (which calls for negotiations between blocs), without seeking new guidance from the EU Council, "which could take six months."

First Uribe Visit to Ecuador in 2008

¶6. (C) Villagomez said that President Uribe of Colombia readily accepted the invitation to the meeting, which will be his first visit to Ecuador following the March 1 incursion into Ecuador that led Ecuador to break diplomatic relations (reftel b). Villagomez said that the visit could establish the ground work for restoring diplomatic relations.

Ecuador on ATPA Suspension for Bolivia

¶7. (C) Villagomez added that he had recently drafted a short statement for possible use by the President's office on the U.S. announcement that it would suspend Andean Trade Preferences Act (ATPA) benefits for Bolivia. He said that the thrust of the statement is that Ecuador, as president of the CAN, supports solidarity of the CAN as a whole and argues that ATPA benefits should be available for all the CAN members. (Note: he did not specify when this statement would be issued or whether it would be part of a larger document.)

Comment

¶8. (C) On the trade side, Ecuador and President Correa first want to position themselves as a broker between Colombia and Peru on one side, and Bolivia on the other. However, Ecuador appears ready to move pretty quickly from that stance, distance itself from Bolivia, and side with Colombia and Peru to pursue a free trade agreement with the EU, recognizing that that would be in Ecuador's best interest. In regard to Ecuador looking to normalize relations with Colombia and using the upcoming regional meeting as a convenient forum to initiate the process, it is not clear how the two countries would get around stumbling blocks like Ecuador's demand for compensation for border incidents. We will follow up with other officials who have been more closely involved in Ecuador-Colombia discussions to see if they share Villagomez's optimism.

HODGES